

AR70

Winspear Business Resource Room
University of Alberta
118 Business Building
Edmonton, Alberta T6G 2R6



eltic

Minerals Ltd.

**ANNUAL
REPORT 1995**

Letter to Shareholders

Congratulations Shareholders. During the past year you have participated in the inception and early growth of our new company.

Celtic was listed on the Alberta Stock Exchange in December, 1994. Since then our objective has been to expose the corporation to the most highly prospective properties available and to world-class exploration plays such as Voisey's Bay, while assembling a balanced portfolio of both precious and base metal projects.

We have rapidly achieved these objectives because our team of young, aggressive executives and proven mining professionals has a winning combination of excellent track records and key industry contacts. This highly motivated team brings to Celtic almost 100 years of combined experience in all aspects of the mining business. Celtic Minerals Ltd.'s management is committed to bringing Celtic to the pinnacle of the mineral exploration industry.

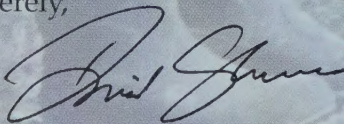
During 1995 your company was an early participant in one of the greatest area plays in the history of mineral exploration - the Voisey's Bay Discovery. This was accomplished through Celtic management's ability to recognize world class discoveries at an early stage by utilizing key industry contacts and strong in-house technical expertise.

In February 1996 Celtic announced entry and participation in the quest for gold in Indonesia. Canadian companies will invest over 500 million dollars in Indonesia during the upcoming year. And the next few years promise to be exciting ones for this part of the world. Indonesia is being compared to Nevada in the 1980's when multi-million ounce gold deposits were discovered there, sparking a period of spectacular successes by several companies including Barrick Gold Corporation, Newmont Gold Company and Echo Bay Mines Ltd. And now Celtic is strategically positioned to become a key player in Indonesia.

Celtic Minerals Ltd. is philosophically committed to participate in good technical projects and to maintain good market exposure to ensure that funds are in place to bring a project from the discovery stage to the mining stage.

Through hard work, strong resolve and the support of our shareholders, Celtic has become an important participant in the Voisey's Bay Exploration Play and now Indonesia. On behalf of the Board of Directors, we look forward to your continued support of our efforts and your participation in our future successes.

Sincerely,



David Graham
President

Corporate Profile

Winspear Business Reference Room
University of Alberta
38 Business Building
Edmonton, Alberta T6G 2R6

Celtic Minerals Ltd. is a new and aggressive mineral exploration company of national and international scope. The objective of the company is to provide long term value to shareholders through the acquisition and development of balanced portfolio, top quality precious and base metal projects.

Celtic Minerals Ltd. has a broad world-wide network of industry contacts and strong in-house technical and promotional expertise.

1995/1996 Highlights

Acquired 70% interest in an iron-formation gold deposit at Dawson, Colorado with drill indicated reserves of over 164,000 ounces at a grade of 0.36 ounces/ton and potential for over 500,000 ounces of gold.

Acquired a total of 152 claims strategically located near the Voisey's Bay Discovery in Labrador.

Announced entry and participation in the quest for gold in Indonesia.

Acquired over 600 sq. km. of highly prospective precious and base metal properties in Newfoundland.

Planning drilling programs in Voisey's Bay, Newfoundland and Indonesia for summer and fall of 1996

Assembled a first class Board of Directors and Management with almost 100 years of combined experience in the mining business, and highly motivated project leaders and field personnel.

The Management Team

Success in the industry requires effective project review, acquisition, and advancement. To ensure its success, Celtic has assembled a Board of Directors with an accumulated total of almost 100 years of broad industry and management experience:

David Graham

B.Sc. Geology, President and Director, Calgary, AB
President and Director of the Corporation since June 1995. President of Anomalex, a partnership involved in mineral exploration, since July 1991. Project geologist with BP Canada Resources Ltd., a mineral exploration company, 1988-1991.

Loren Komperdo

B.Sc. Geology, Vice-President and Director, Calgary, AB
President of the Corporation from July 1994 to June 1995. Director of the Corporation since July 1994 and Vice-President since June 1995. Director and officer of Arlo Consulting, a geological consulting company, since 1987.

Kevin Flaherty

MBA, Vice-President, Secretary-Treasurer and Director, Calgary, AB
Vice-President and Secretary-Treasurer of the Corporation since July 1994. Officer and Director of Dalton Resources Ltd., a junior oil and gas company, since July 1993.

Wayne Ewert

Ph.D. Geology, Director, Toronto, ON
Director of the Corporation since April 1995. Consulting Geologist for A.C.A. Howe International Limited, a geological consulting company, since 1992. Manager, New Projects, Gold Fields Canadian Mining Limited, a mineral exploration company, from 1987 to 1992.

G.W. (Will) Felderhof

B.Sc. Geology, Director, Trenton, NS
Director of the Corporation since July 1994. President and Director of Chance Mining & Exploration Co. Ltd. President of Jascan Resources from 1984 to 1990.

Patrick Hannon

M.A. Sc. Mining Engineer, B.Sc. Geological Engineering, Director, Halifax, NS
Director of the Corporation since June 1995. Consulting Mining and Geological Engineer. President of Mine Tech International Limited, a geological consulting company, since 1989.

Doug Robertson

P. Eng., Director, Calgary, AB
Director of the Corporation since July 1994. Officer and Director of Dalton Resources Ltd., a junior oil and gas company, since 1993. President of Lone Star Engineering and Management Inc., an engineering consulting company, since 1990.

Dawson Gold Project

Fremont County, Colorado, USA

Property Description

This property has \$8.9 million in prior expenditures, including 88,000 feet of diamond drilling in 142 holes.

Celtic is operator and owns a 70% interest; Uranerz USA Inc. owns 30% interest.

Dawson exhibits similar geology to the Homestake, S.D; Lupin, N.W.T.; and Musselwhite, Ont. gold deposits.

Drill indicated reserves:

(as determined by 1991 pre-feasibility study)

-Dawson Segment:

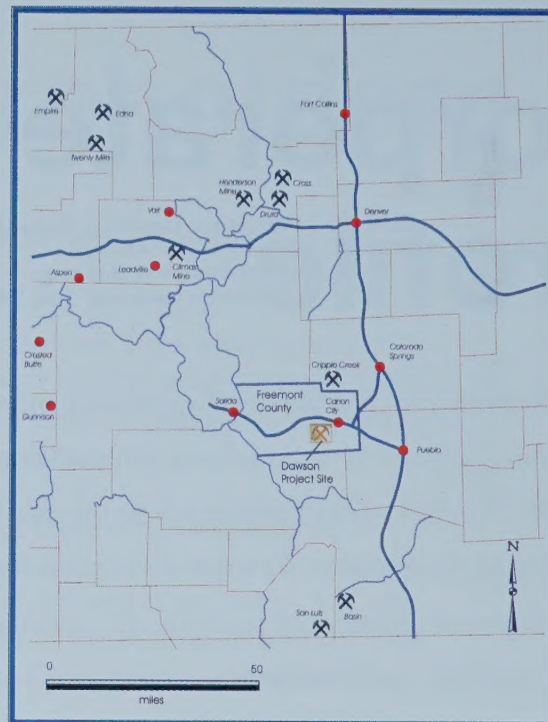
122,000 oz gold in 398,000 tons
(diluted mining grade of 0.31 oz/t)

-Windy Point Segment:

30,000 oz gold (at a grade of 0.36 oz/t)

-Windy Gulch Segment:

13,000 oz gold in 33,000 tons of near-surface ore
(at a grade of 0.41 oz/t)



Dawson Location Map

Exploration Potential

Reserve expansion potential:

- A drill target within the Dawson Segment of 20,000 to 30,000 ounces.
- An untested gold zone at depth, evidenced by six foot intercept grading 0.62 oz/t.
- Windy Gulch and Windy Point segments are open along strike, and at depth.
- Ore horizon traceable for over 3.5 miles on surface.
- A near surface resource of 42,000 ounces in two segments.
- Good potential for resource expansion with potential for 500,000+ ounces of high grade ore.

Project Strengths

- Estimated average operating costs of \$234.42 US/ounce of gold production and 27% annual Rate of Return on Investment at \$400.00 US/oz gold (from 1991 pre-feasibility study and review).
- Bulk mineable zones of high grade ore.

Select drill intercepts include:

Intercept	Grade	Intercept	Grade
15.0 ft	0.84 opt	9.0 ft	1.75 opt
40.0	0.46	6.0	0.89
25.0	0.33	6.6	0.80
13.3	0.45	2.1	6.15
15.0	0.93	11.0	0.56

DAWSON GOLD PROJECT

LEGEND

- Ore
- Potential Ore
- Subore or gangue
- Untested area
- Fault
- Claim Boundary
- Limit of Explored area

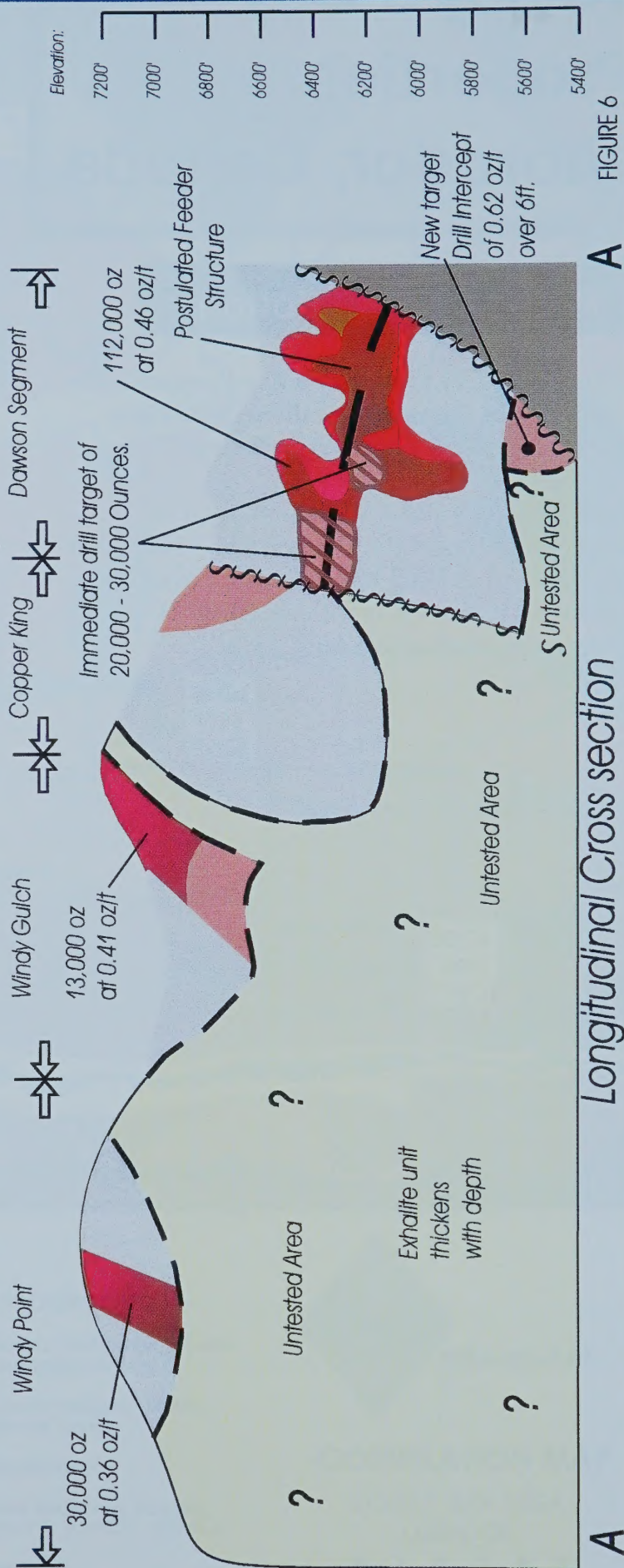
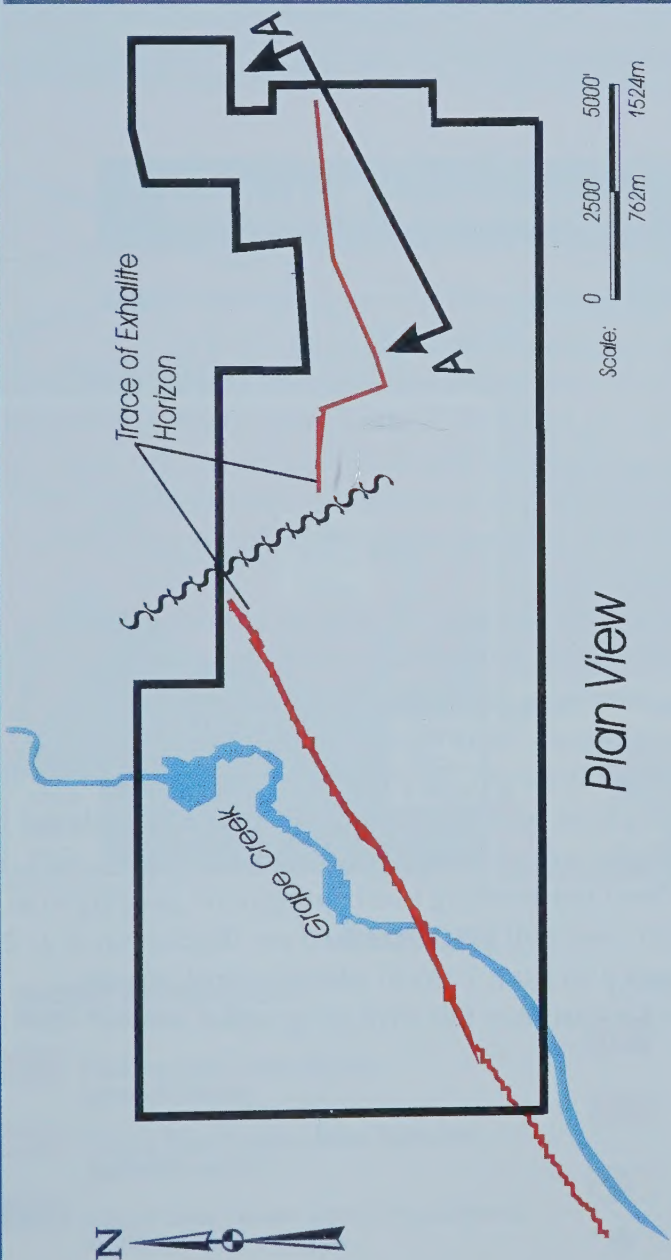


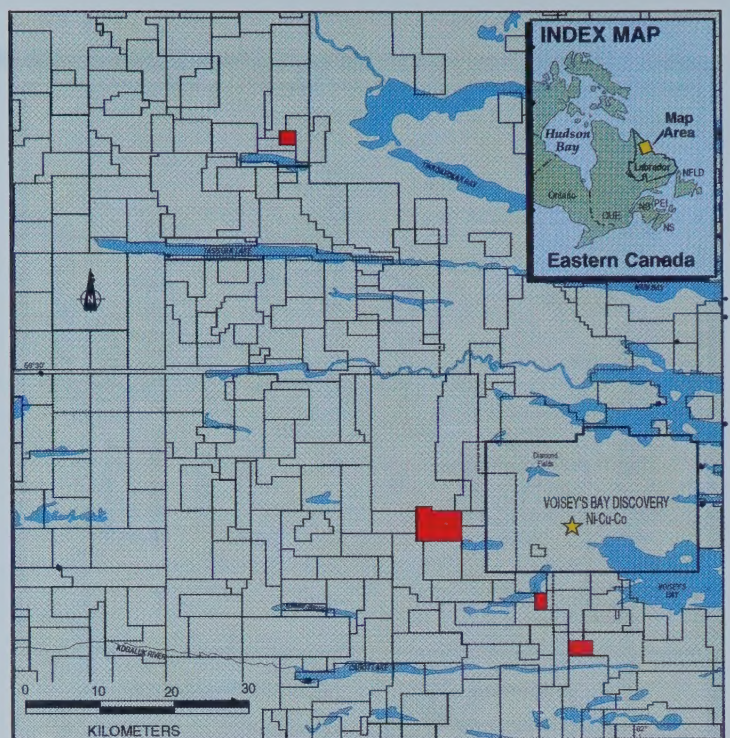
FIGURE 6

Voisey's Bay Properties Labrador, Canada

Property Description

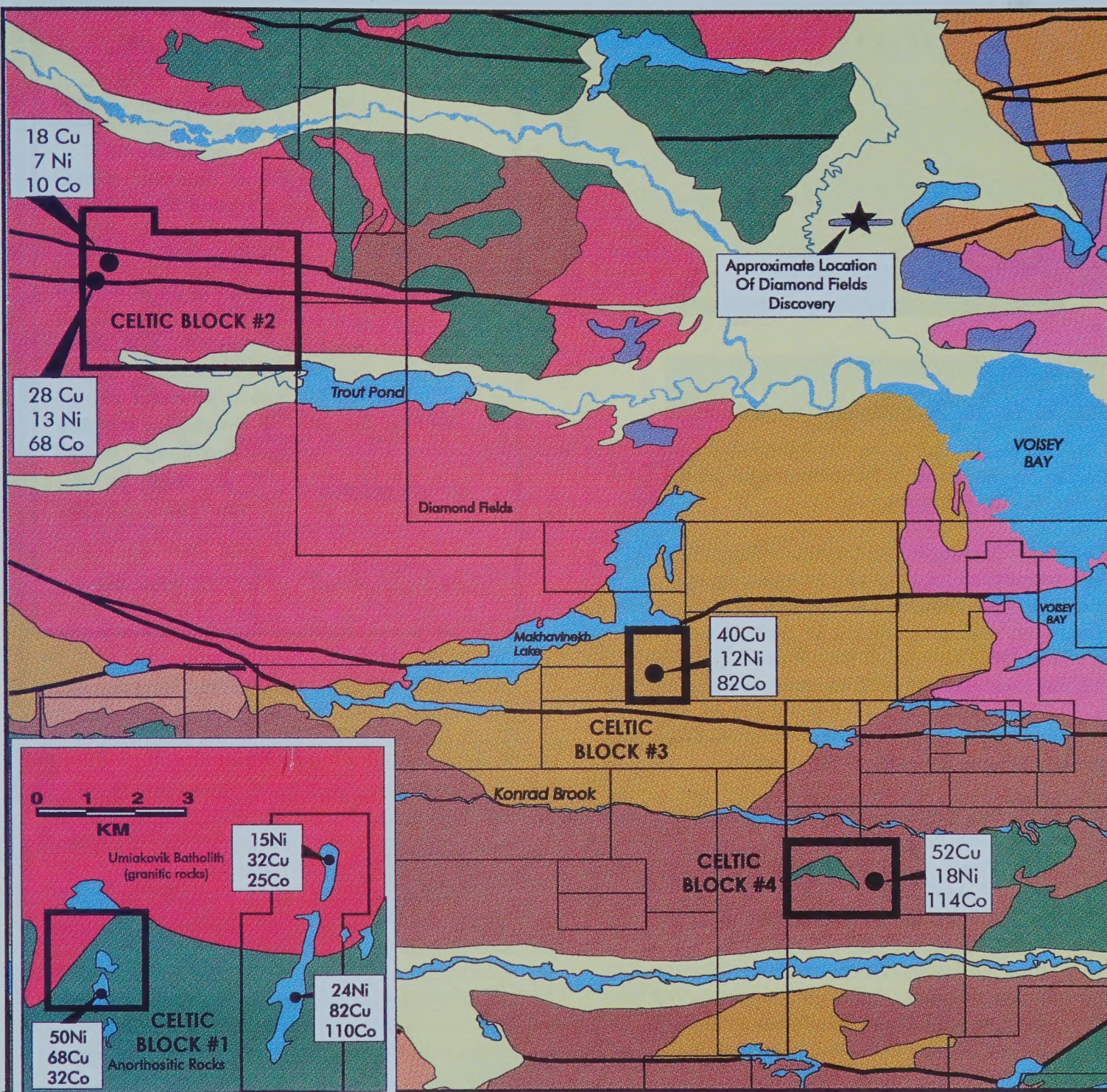
Celtic Minerals Ltd. Voisey's Bay Properties are comprised of four strategically located claim blocks (No.'s 1, 2, 3 and 4) totalling 152 claims:

Block No.'s 2, 3 and 4 all lie within an 18 kilometre radius of the Diamond Fields deposit where recent drilling has delineated over four kilometres east-west strike continuity of dyke-hosted high grade Ni-Cu-Co mineralization.



Exploration Potential

- Block #1 has two electromagnetic targets thought to be caused by pyrrhotite.
- Airborne magnetics flown by the Geological Survey of Canada and Government Geological maps indicate Block #2 may lie on the same structure that controls the dyke-hosted Ni-Cu-Co mineralization at Diamond Fields discovery.
- Block #3 has four strong electromagnetic anomalies within favourable host rocks. One anomaly is flat lying, and may be analogous with Voisey's Bay-type mineralization. Pyrrhotite, chalcopyrite, graphite, and minor magnetite are postulated to be the source of the conductors.
- Deep penetrating electromagnetic geophysical surveys will be performed on Blocks No.'s 1, 2, and 3 in June 1996 to identify drill targets for a summer-fall drill program.



GEOLOGY

MIDDLE PROTEROZOIC Main Plutonic Suite

- 17** Makhavinekh Lake Pluton (granitic rocks)
- 15** Voisey Bay-Notakwanan Batholith (granitic rocks)
- 13** Cabot Lake Sheet: iron rich gabbroic-dioritic rocks
- 12** Troctolitic rocks
- 11** Anorthositic rocks

LOWER PROTEROZOIC

- 3-9** Quartz feldspathic gneiss and migmatite
- 2** Quartz-feldspar-biotite-garnet gneiss
- Q** Quaternary
- Lake Sediment Sample ppmNi, ppmCu, ppmCo
- Fault



Minerals Ltd.

COMPILATION MAP

VOISEY BAY AREA
LABRADOR



Newfoundland Projects Newfoundland, Canada

Project Descriptions

Celtic Minerals Ltd. is the third largest property holder on the island of Newfoundland with a 100% interest in 2,574 claims.

Celtic is focussing its exploration efforts in Central Newfoundland for base and precious metal mineralization. Asarco Ltd.'s Buchans Mine, in the same area, was in operation for over 57 years from 1927 to 1984. During that time it produced 16.2 million tonnes of ore with an average mill head grade of 14.5% Zn, 7.5% Pb, 1.3% Cu, 1.4 g/t Au and 126.0g/t Ag making it one of the highest grade and most profitable deposits in the world.

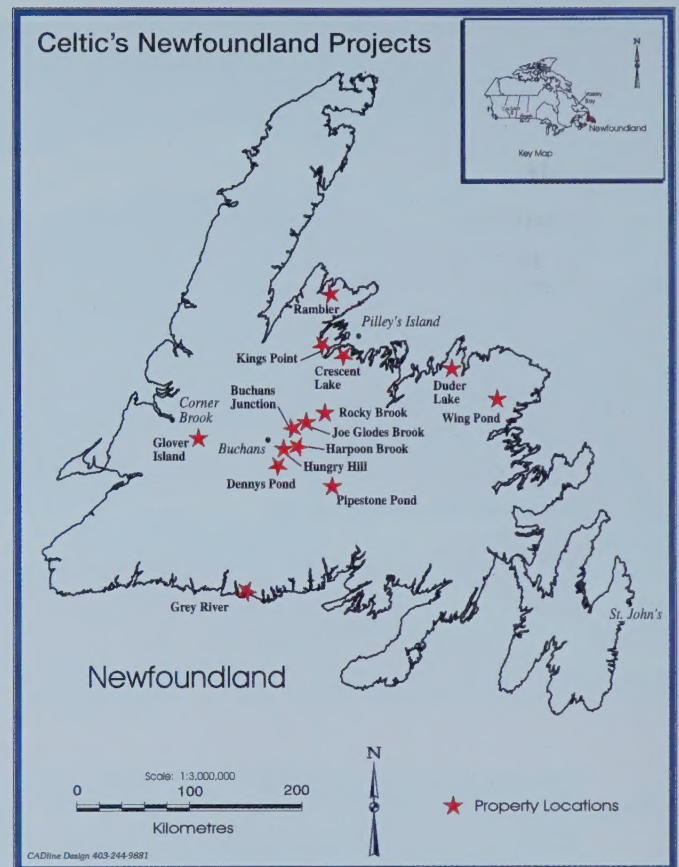
The following projects comprise Celtic's Newfoundland Portfolio:

1. Wing Pond - Gold and base metals
2. Duder Lake - Gold
3. Pipestone Pond - Gold and base metals
4. Denny's Pond - Gold
5. Hungry Hill and Harpoon Brook - Base metals
6. Buchans-Roberts Arm Belt Properties: Buchans Junction, Joe Glodes Brook, Rocky Brook, Crescent Lake - Gold and base metals
7. Glover Island - Gold
8. Kings Point - Gold and base metals
9. Rambler - Gold and base metals
10. Grey River - Gold

Exploration Potential

Celtic Minerals Ltd.'s Buchans-Roberts Arm Belt properties consist of four blocks: Buchans Junction; Joe Glodes Brook; Rocky Brook; and Crescent Lake.

- The blocks comprise a total of 896 claims of highly prospective volcanogenic terrain.
- It is anticipated that drill targets will be delineated by late 1996.



















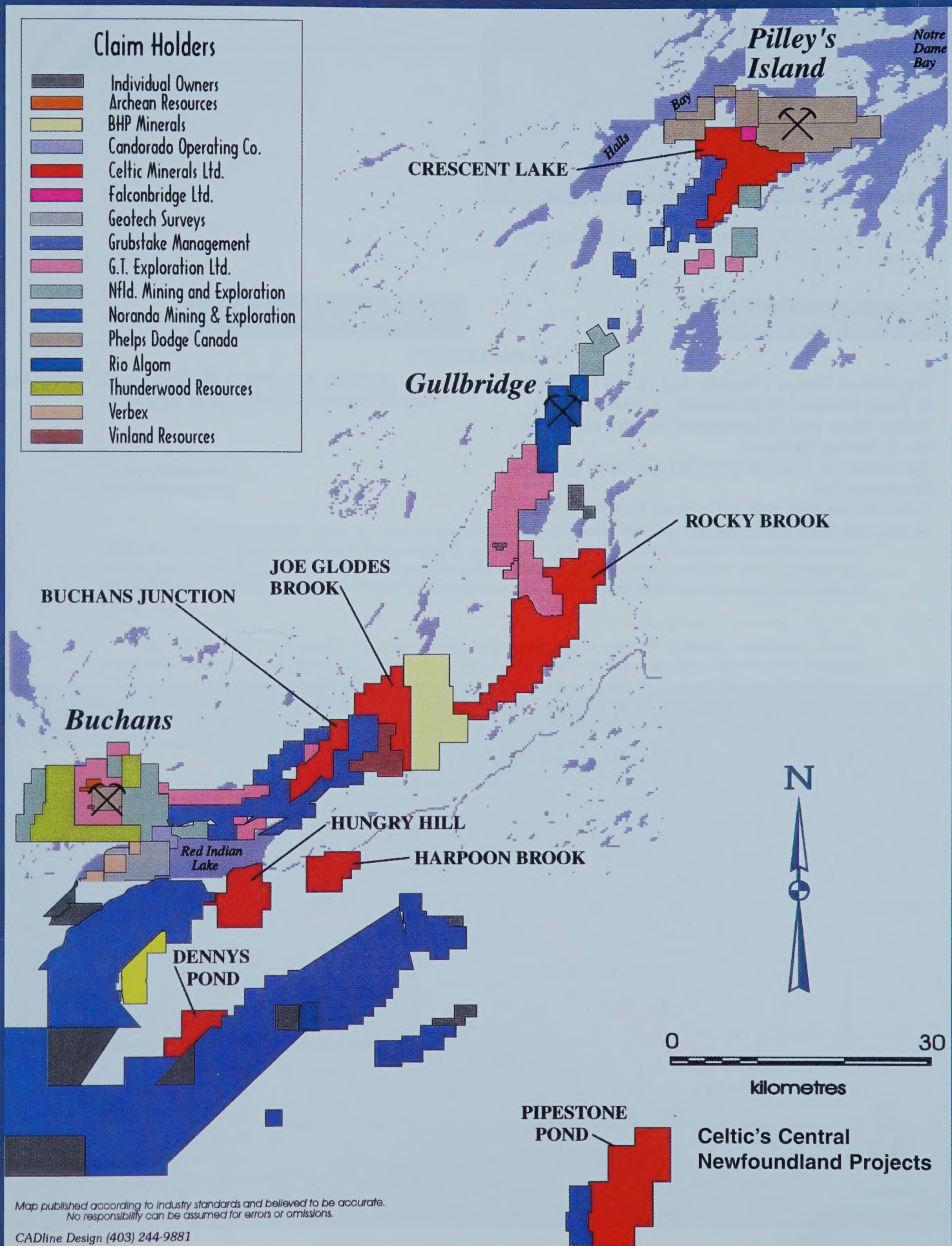
- Two highly prospective projects - Harpoon Brook and Hungry Hills - lie along strike from the old Victoria Mine and 20 kilometres southeast of the Buchans Mine.
- The properties are under-explored and have excellent discovery potential for Buchans-style mineralization and will be aggressively explored during the coming field season.
- Results from previous work include the identification of quartz-sericite and pyrite alteration zones with strike lengths over one kilometre and coincidental geophysical anomalies.
- An aggressive exploration program is planned. It is anticipated that these two projects will be brought to the drill stage during the summer field season.

Celtic's Wing Pond Project covers highly prospective epithermal to hydrothermal gold and base metal terrain. Diamond drilling is planned for late 1996, early 1997. A 12.2 g/t gold showing and gold in float within a 14 kilometre long quartz-pyrite, sericite, breccia system will be targeted.

The Corporation's eight other projects on the island have excellent potential for new discoveries and will be explored during the 1996 field season. These include the Rambler Properties which adjoin Ming Financial Corp.'s Copper-Gold mine that has recently been brought into production.

Claim Holders

	Individual Owners
	Archean Resources
	BHP Minerals
	Candorado Operating Co.
	Celtic Minerals Ltd.
	Falconbridge Ltd.
	Geotech Surveys
	Grubstake Management
	G.T. Exploration Ltd.
	Nfld. Mining and Exploration
	Noranda Mining & Exploration
	Phelps Dodge Canada
	Rio Algom
	Thunderwood Resources
	Verbex
	Vinland Resources



Map published according to industry standards and believed to be accurate.
No responsibility can be assumed for errors or omissions.

CADline Design (403) 244-9881

Celtic's Central
Newfoundland Projects

Kalimantan Project Indonesia

Celtic owns participating interest in a Joint Venture (see map).

Property Description

The Rukun Damai Property is a 11,380 ha Contract of Work situated 35 kilometres northeast of the Kelian Mine and 70 kilometres southwest of the Bre-X Busang Deposit.

The project is a 50/50 Joint Venture with Olympic Resources Ltd.

Celtic is operator and will spend \$100,000 US during the 1996 field season.

Exploration Potential

The property lies within the Trans-Kalimantan Gold Belt between two major gold deposits.



AUDITORS' REPORT

To the Shareholders
Celtic Minerals Ltd.

We have audited the consolidated balance sheets of Celtic Minerals Ltd. as at December 31, 1995 and 1994 and the consolidated statements of operations and deficit and changes in financial position for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1995 and 1994 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Calgary, Alberta
March 7, 1996
(except as to Notes 10c and 10e which
are as of April 29, 1996)

Chalmers White
CHALMERS WHITE
Chartered Accountants



A member of
HLB INTERNATIONAL
A worldwide organization of accountants

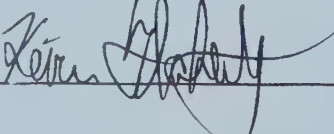
670, 10201 Southport Road S.W.
Calgary, Alberta T2W 4X9
(403) 259-2781 FAX (403) 259-8416

^{*}Denotes Professional Corporation

Celtic Minerals Ltd.
Consolidated Balance Sheets
As at December 31, 1995 and 1994

	1995 \$	1994 \$(note 8)
ASSETS		
Current Assets		
Cash and short-term deposits	659,509	419,457
Accounts receivable	87,550	-
GST recoverable	29,283	2,692
Deposits	108,250	5,013
	884,592	427,162
Capital Assets (note 4)	806,885	839
	1,691,477	428,001
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	68,714	7,371
SHAREHOLDERS' EQUITY		
Share Capital (note 5)	1,706,004	428,433
Deficit	(83,241)	(7,803)
	1,622,763	420,630
	1,691,477	428,001

APPROVED ON BEHALF OF THE BOARD



 Director



 Director

Celtic Minerals Ltd.

Consolidated Statements of Operations and Deficit For the Years Ended December 31, 1995 and 1994

	1995 \$	1994 \$ (note 8)
Revenue		
Proceeds from the sale of mining options	217,975	-
Interest income	34,031	2,168
	<u>252,006</u>	<u>2,168</u>
Expenses		
Amortization	925	93
General and administrative	226,529	9,878
	<u>227,454</u>	<u>9,971</u>
Net Income (Loss) Before the Following	24,552	(7,803)
Loss on sale of marketable securities	(99,990)	-
Net Loss	(75,438)	(7,803)
Deficit - Beginning of Year	(7,803)	-
Deficit - End of Year	<u>(83,241)</u>	<u>(7,803)</u>
Loss Per Share	<u>0.01</u>	<u>-</u>

Celtic Minerals Ltd.

Consolidated Statements of Changes in Financial Position For the Years Ended December 31, 1995 and 1994

	1995 \$	1994 \$(note 8)
Operating Activities		
Net loss	(75,438)	(7,803)
Add: Charges to income not involving cash		
Amortization	925	93
Loss on sale of marketable securities	99,990	-
	25,477	(7,710)
Net change in non-cash working capital balances related to operations *	(156,035)	(334)
Cash used in operating activities	(130,558)	(8,044)
Investing Activities		
Acquisition of mineral properties	(791,110)	-
Acquisition of office furniture and equipment	(15,861)	(932)
Acquisition of marketable securities	(190,000)	-
Sale of marketable securities	90,010	-
Cash used in investing activities	(906,961)	(932)
Financing Activities		
Issuance of common shares, net of issue costs	295,000	428,433
Issuance of special warrants, net of issue costs	982,571	-
Cash provided by financing activities	1,277,571	428,433
Increase in Cash	240,052	419,457
Cash - Beginning of Year	419,457	-
Cash - End of Year	659,509	419,457

* Consisting of changes in accounts receivable, GST recoverable, deposits, accounts payable and accrued liabilities.

Celtic Minerals Ltd.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 1995 and 1994

1. OPERATIONS

The Company was incorporated under the Business Corporation Act (Alberta) on April 22, 1994 and obtained its listing on the Alberta Stock Exchange on November 25, 1994 as a Junior Capital Pool Company (as defined in the Alberta Securities Commission Policy 4.11). The Company completed its major transaction on June 23, 1995 and was listed on the main board of the Alberta Stock Exchange on July 17, 1995.

2. MAJOR TRANSACTION

The Company purchased, from an arm's-length party, the entire rights, title and interest in the Wing Pond Project, Newfoundland, for a total consideration of \$200,000. Consideration comprised of the following: \$10,000 cash and 950,000 common shares of Celtic Minerals Ltd. at a deemed value of \$0.20 per share.

3. SUMMARY OF ACCOUNTING POLICIES

a) Mineral Properties

As the majority of the Company's activities relate to the acquisition of mining claims, permits, exploration and development thereon, all expenditures relative thereto, have been capitalized on an area of interest basis. These expenditures will be charged against income, through unit of production depletion, when properties are developed to the stage of commercial production. The related costs of abandoned areas of interest will be charged to income. In addition, if a mineral property becomes impaired, it will be written off.

Where the Company's exploration commitments for area of interest are performed under option agreements with a third party, the proceeds of any options payments under such agreements have been applied to the area of interest to the extent of costs incurred. The excess has been credited to income. The amounts shown for mineral properties represent costs to date and do not necessarily reflect present or future values.

Recovery of capitalized costs is dependent upon successful development of economic mining operations and sale or disposition of such property for amounts at least equal to the Company's investment therein.

Map staking deposits of \$50 per claim are refundable to the extent that the Company expends a minimum of \$200 per claim. Where claims are abandoned, the deposits will be charged to income.

b) Office Furniture and Equipment

Office furniture and equipment are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Office furniture and equipment	20%
Computer equipment	30%

c) Basis of Consolidation

The financial statements include the accounts of the Company's wholly owned subsidiary, Celti Minerals U.S.A., Inc.

d) Loss Per Share

Loss per share has been calculated using the weighted average method.

e) Foreign Currency Translation

All foreign currencies are translated into Canadian dollars generally using weighted average rates for the year for items included in the consolidated statements of operations and current rates for assets and liabilities included in the consolidated balance sheets.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 1995	Net 1994
Office furniture and equipment	\$ 14,726	\$ 1,018	\$ 13,708	\$ 839
Computer equipment	2,067	—	2,067	—
Mining properties	791,110	—	791,110	—
	<u>\$ 807,903</u>	<u>\$ 1,018</u>	<u>\$ 806,885</u>	<u>\$ 839</u>

The cost of the mining properties have been reduced by a \$5,600 government grant. This grant is not repayable and has no conditions attached to it.

5. SHARE CAPITAL

a) Authorized:

- An unlimited number of common voting shares without nominal or par value
- An unlimited number of first preferred shares
- An unlimited number of second preferred shares

b) Common shares issued:

	Number of shares	Amount
Initial private placement	2,000,000	\$ 100,000
Public offering	4,000,000	328,433
Balance at December 31, 1994	<u>6,000,000</u>	<u>428,433</u>
Exercise of options	950,000	95,000
On acquisition of major transaction	950,000	190,000
Issued for debt settlement	50,000	10,000
Special warrants		<u>982,571</u>
Balance at December 31, 1995	<u>7,950,000</u>	<u>\$ 1,706,004</u>

c) Special Warrants

On June 30, 1995, the Company approved, subject to the necessary regulatory approvals, the private placement of up to 1,968,000 special warrants, each of which is exercisable for one common share of the Company and a warrant to acquire one half of a common share (a "unit"), at a price of \$1.22 per special warrant.

Each special warrant shall permit the holder, without payment of any additional amounts to acquire, on or before the earlier of: a) 15 business days after the day upon which a receipt has been obtained for a final prospectus qualifying the Units for distribution in Alberta, British Columbia and Ontario; and b) one year from the date of the closing of the special warrant offering, one Unit. In the event a prospectus qualifying the issuance of Units on exercise of the special warrants has not been approved within 180 days of the closing of the special warrant offering, then the private placement subscribers shall receive 1.1 common shares and one-half of 1.1 share purchase warrants on exercise of each special warrant and, in addition, subscribers will have an option to redeem the special warrants still held in escrow.

The Company has sold to Canaccord Capital Corporation, the underwriter, 889,589 special warrants at \$1.22 per special warrant. The Company has received initial net proceeds of \$909,430 (note 10b).

5. SHARE CAPITAL cont.

d) Stock Options

The Company has established a stock option plan for its directors, officers and employees and has granted the following options:

	<u>Granted</u>	<u>Price</u>	<u>Expiry Date</u>
1994	115,000	\$ 0.61	June 20, 2000
1995	<u>650,000</u>	\$ 0.60	August 10, 2000
	<u>765,000</u>		

In addition, Rogers and Partners Securities Inc., under the terms of an Agency agreement, were granted 400,000 common shares at \$0.10 per share, expiring May 25, 1996. 350,000 of these options were exercised prior to December 31, 1995.

6. COMMITMENTS

a) In a Joint Venture Agreement dated April 18, 1995, between NDT Ventures Ltd. ("NDT"), Celtic Minerals Ltd. ("Celtic") has granted NDT an option to earn a 51% interest in Celtic's Voisey Bay holdings. Under the terms of the Agreement, NDT has made a cash payment of \$50,000 and has issued Celtic 50,000 common shares of the capital stock of NDT. A further 50,000 common shares will be issued upon the completion of the airborne survey; an additional 50,000 common shares will be issued upon completion of the second phase of the exploration program (within eighteen months); and the final 50,000 common shares will be issued upon completion of the third phase of the exploration program. NDT will incur a minimum of \$350,000 on exploration expenditures on the Property as follows: a minimum expenditure of \$50,000 within twelve months; an aggregate minimum of \$150,000 within two years; and an aggregate minimum of \$350,000 within three years. Upon completion, NDT will have earned a 51% interest and can earn up to an additional aggregate 39% interest, on the basis of expending \$60,000 toward work on the Property for each 1% interest to be acquired. Celtic may elect to contribute its pro rata share or upon NDT having earned a 90% interest, Celtic may elect to either earn back an interest by spending \$120,000 for each 1% to a maximum of 30%; or Celtic may elect to convert its interest to a 3% NSR. Should Celtic convert to a NSR position, NDT may purchase up to one-third of the NSR by paying Celtic \$1.0 million.

b) The following amounts have to be spent on the Newfoundland and Labrador claims to keep them all in good standing:

1996	\$438,837
1997	\$612,974
1998	\$781,329
1999	\$913,050
2000	\$1,040,350

7. INCOME TAXES

The Company has Canadian resource deductions including undepreciated capital costs of approximately \$356,259, and net capital losses of approximately \$72,992, which may be carried forward indefinitely in the prescribed manner to reduce taxable income in future years. It also has non-capital tax losses of approximately \$234,275, which expire as follows:

<u>Year of Loss</u>	<u>Amount</u>	<u>Expires</u>
1994	\$ 21,531	2001
1995	<u>212,744</u>	2002
	<u>\$ 234,275</u>	

8. COMPARATIVE FIGURES

The comparative audited figures are for the period April 22, 1994 to December 31, 1994.

9. SEGMENTED INFORMATION

Segmented information relating to the Company's U.S. subsidiary is as follows:

	<u>Canada</u>	<u>United States</u>	<u>Consolidation</u>
Identifiable Assets			
Capital assets	\$ 566,979	\$ 239,906	\$ 806,885

All of the Company's revenue and expenditures reported on the 1995 statement of operations relate to the Canadian operations.

10. SUBSEQUENT EVENTS

a) Subsequent to December 31, 1995, \$5,000 was received from the exercise of share options.

b) Note 5c) above, indicated that a total of up to 1,968,000 special warrants would be available for distribution. Subsequent to June 30, 1995, it was established that the Company would not sell any more than the 889,589 previously issued special warrants. Consequently, Canaccord Capital Corporation has an obligation to refund the Company approximately \$88,000 of commissions previously deducted from the expected sale of 1,640,000 of the special warrants.

c) On April 29, 1996, the Company filed a preliminary prospectus of issue 889,589 units, each unit to be issued without additional payment upon an exercise of previously issued special warrants (see note 5c above). Each whole warrant is exercisable by the holder to subscribe for one common share at a price of \$0.40 per share at any time up to the earlier of: (i) 18 months from the Qualification date; or (ii) December 30, 1997.

In addition, the Company will offer for sale a minimum of \$850,000 of units and a maximum of \$1,870,000 of units. Each unit will consist of either one Common Share and one-half of a Common Share Purchase Warrant ("A Units") or one flow-through Common Share and one-half of a Common Share Purchase Warrant ("B Units"). One whole Warrant will entitle the holder to purchase one Common Share at a price of \$1.25 at any time on or before 18 months from the date of the Prospectus. The price of each A unit is \$0.85 and the price of each B Unit is \$0.90.

d) Subsequent to the year-end, the Company entered into an agreement with Olympic Resources Ltd., whereby the Company may acquire a 50% interest in a 11,380 hectare Indonesian contract of work ("COW") located in East Kalimantan. Consideration for this acquisition will be \$175,000 cash, 125,000 Common Shares of the Company, and the Company must incur the first \$100,000 of exploration expenditures on the property.

e) Subsequent to the year-end, the Company loaned \$425,000 to Dalton Resources Ltd., a company related by management. This loan was subsequently repaid with interest.

CORPORATE INFORMATION

Corporate Office

770, 202 - 6th Ave. S.W.
Calgary, Alberta
Canada T2P 2R9

Stock Exchange

Alberta, Symbol: CME

Transfer Agent and Registrar

Montreal Trust Company of Canada,
Calgary

Solicitors

McLeod & Company,
Calgary

Auditors

Chalmers White,
Chartered Accountants,
Calgary

SHARE CAPITAL (on May 1, 1996)

8,977,448 issued and outstanding (2,950,000 shares held in escrow)
+ 488,724 warrants exercisable 1:1 @ \$0.40

For further information, contact Investor Relations at: 1-800-621-1583

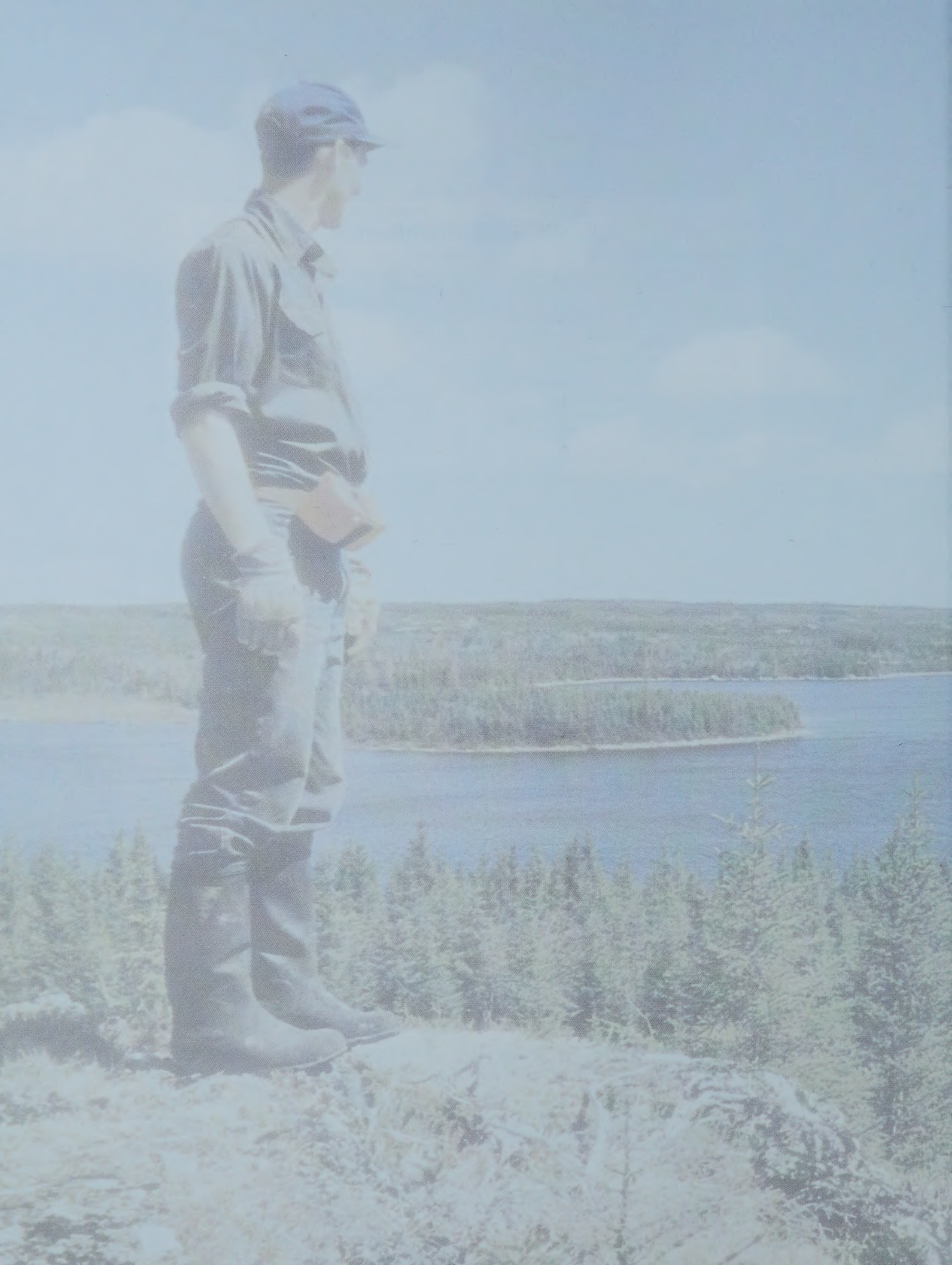
Celtic Minerals Ltd.
770, 202 - 6 Avenue, SW
Calgary, Alberta
Canada T2P 2R9

Phone: (403) 261-2890
Fax: (403) 264-4535

Internet Home Page: <http://www.inforamp.net/~tcv/celtic.html>

TRADING SYMBOL: CME.ASE

Annual General Meeting to be held June 28, 1996. Location and time to be announced.





*"Lawrence Winter, Senior Geological Assistant, surveys the corporation's Wing Pond Project."
(Photo by Doug Dauphinee)*

